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#### ARTICLES:

- (1) US envoy cheers Oh on

NIKKAN SPORTS (Web version) (Full)  
19:39 March 4, 2006

Fukuoka SoftBank Hawks Manager Sadaharu Oh, now leading Japan's national team for the upcoming World Baseball Classic (WBC)

event, received words of encouragement yesterday from US Ambassador to Japan Thomas Schieffer.

Oh and Schieffer met at a Japan-US baseball exchange party held in Washington in January. When they talked about baseball topics, their faces really lit up. Schieffer was a co-owner of the Texas Rangers, a Major League Baseball (MLB) club, with US President Bush. "He was an owner for about 10 years," Oh said. "The ambassador really loves baseball," Oh added with a smile.

(2) Iwakuni referendum drawing mixed reactions from residents with municipal merger near at hand

YOMIURI (Page 4) (Abridged)  
March 8, 2006

A city referendum of Iwakuni, Yamaguchi Prefecture, on the propriety of relocating US carrier-borne jets to the US Marine Corps' Iwakuni Air Station is just four days away. Mayor Katsusuke Ihara has been out in the streets calling for local residents to vote against the relocation, while some residents have been calling for boycotting it. Will the voter turnout reach 50%, the minimum line for the plebiscite to be valid? What is the fate of the relocation plan? Perplexity is spreading among local residents with Iwakuni scheduled to merge with seven neighboring municipalities on March 20.

Last-minute effort

"The referendum of our city is drawing national attention. Let us exhibit our wishes to the rest of the country."

Ihara, clad in a brown suit, delivered the above message

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yesterday afternoon to about 40 residents at a parking area near the Iwakuni base.

Iwakuni will conduct the plebiscite in accordance with the interim report on US force realignment, produced last October by the Japanese and US governments. The referendum will be on the propriety of transferring 57 carrier-borne aircraft from Atsugi Naval Air Facility in Kanagawa Prefecture to the Iwakuni base in Yamaguchi Prefecture. The voters will be asked to mark yes or no about the relocation on the ballots.

Concern is deeply seated among Iwakuni residents about possible noise pollution. Ihara is making a last-minute effort in an effort to turn the new city's mayoral race planned for late April in his favor, as well. If the voter turnout exceeds 50% and becomes valid, chances are that votes against the relocation would dominate the poll. Ihara may opt to use such an outcome to elicit what he wants from the central government.

Ihara has been actively working on local residents to go to the polls since the referendum was officially announced.

Conservative ground

Not all citizens are against the relocation plan. Eizo Kobayashi who heads a supporters group for Taro Ajimura, 38, who is going to run, backed by the LDP Yamaguchi chapter, in the new mayoral race against Ihara, takes this view:

"We have been living with the base all our lives. The area around here has been basically conservative, and the situation is different from Nago."

Nago conducted a plebiscite in December 1997 over the propriety to constructing an alternate heliport for the US Marine Corps' Futenma Air Station. Supporters and opponents clashed fiercely, but votes against the relocation dominated the poll. But producing former prime ministers Nobusuke Kishi and Eisaku Sato, the eastern part of Yamaguchi centering on Iwakuni has traditionally been conservative, with no fierce anti-base conflict as seen in Okinawa.

A picture of Ajimura and Chief Cabinet Secretary Shinzo Abe is exhibited at the supporters' office for Ajimura. Kobayashi noted, "It is meaningless to conduct the referendum. After the merger, the city will face such pressing challenges as fiscal reconstruction and revitalizing the economy." In a press conference on March 3, Abe also raised questions about Iwakuni's plebiscite.

A call for abstention

Critical voices are also being heard in the seven municipalities that will soon merge with Iwakuni. Yu Mayor Toshimitsu Makimoto, for instance, complained, "With the merger, we are going to be citizens of the same city, so we wanted Iwakuni to listen to our views beforehand." Makimoto met Abe at the Prime Minister's Official Residence on March 1 in which the mayor conveyed to the chief cabinet secretary his plan to support the relocation plan in essence.

A group of residents opposing the referendum has also been conducting activities actively. The group staged a rally on the

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night of March 6, which brought together about 200 residents.

Before the crowds, the group's leader Yoshimichi Hirose said:

"It is the mayor's job to come up with innovative ideas for the government and residents. But our mayor has been engrossed in his own election campaign. You must not take part in the referendum, which is unjust."

Hirose's words won applause from the crowds.

A group of citizens opposing the relocation of carrier-borne jets and high landing practice to Iwakuni is unhappy with the campaign to boycott the referendum which the group thinks will deprive the residents of an opportunity to express their views. The dominant projection is that the voter turnout would be around 50%. Supporters and opponents are digging in their heels deeper.

(3) SDF-USFJ fusion and its fate-Ahead of final report on USFJ realignment (Part 1): Brains; Self-reliability wavering with intelligence sharing

ASAHI (Page 37) (Full)  
February 19, 2006

Japan's Self Defense Forces (SDF) and US Forces Japan (USFJ) will set up a new bilateral command post, which is named the "Joint Operations Coordination Center" (JOCC). In October last year, Japan and the United States confirmed this course of action in their intergovernmental talks over USFJ realignment. JOCC is intended for the two countries to fuse their brainpowers. USFJ has its headquarters at the US Air Force's Yokota base, where the Air Self-Defense Force (ASDF) will locate its air defense command functions and where JOCC will build an underground headquarters.

"They're going to be ultimately complementary to each other's capability and intelligence," says a high-ranking official of the Defense Agency.

USFJ Commander Bruce Wright unveiled the JOCC initiative in a speech he delivered five months before that. The commander likened the new command post to the Joint Operations Command, which the US military created with the air forces of various countries in the Iraq war.

One ASDF official images JOCC in this way. There is a large screen installed at the headquarters of JOCC. The screen covers Japan and its environs, including the Korean Peninsula and even Russia's inland areas. Japanese and US military personnel posted there are riveting their eyes on the screen that shows the flight paths of ballistic missiles and airplanes and also shows even satellite-transmitted images spotting missile sites. In the event

of an emergency, Japanese and US commanding officers talk to each other and issue operational orders to the two countries' tactical forces through their respective chains of command...

Their fusion is shaped into a network of the two countries' radars, satellites, and intercept missile launchers. Japan secures intelligence from US satellites for signs indicating ballistic missile attacks. USFJ also gets information from the ASDF about aircraft presence around Japan. In the future, JOCC is expected to coordinate ground, naval, and air operations.

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Japan's intelligence-gathering capability is limited. Japan is thirsty for US military intelligence. That is why the ASDF has desired command fusion. However, the ASDF is also aware of spin-offs from its close links to its US counterpart.

After Wright's speech, ASDF officers raised questions about the legal and technical feasibility of such command fusion.

There would be no problem about that at a time when Japan is in an emergency. However, what if the US military launches combat operations based on SDF-provided intelligence even though Japan is not directly exposed to a threat... In this case, SDF operations will be criticized as being linked to the US military's use of force and unconstitutional. The targeted country may regard Japan as an enemy.

There is a gap between the two countries' respective standpoints over command operations. USFJ wants to set up a standing-basis joint command. The ASDF, however, would like to have a standalone facility of its own during peacetime and wants to set up a bilateral joint facility during emergencies. The ASDF wants to avoid providing all intelligence at ordinary times. If Japan is too dependent on the United States, Japan might be provided with intelligence that cannot be confirmed. Eventually, Japan might be misled in its judgment. The ASDF is worried about that.

The Ground Self-Defense Force (GSDF) is even more strongly aware of its own self-reliability in the sense of standing on its own feet.

Last October, the Japanese and US governments released an interim report on the planned realignment of US forces in Japan. The report incorporated a plan to relocate the revamped command functions of the US Army's 1st Corps headquarters from the US West Coast to Camp Zama in Kanagawa Prefecture and to set up the GSDF's Central Readiness Command (CRC) there.

The US Army is strong with its overwhelming intelligence-gathering capability and powerful firearms. The US Army's 1st Corps can grasp enemy moves on hand with its employment of satellites and reconnaissance planes, and the Army corps plans to move its command to Zama. This command relocation to Japan is encouraging to the GSDF that cannot do so.

The CRC, however, is a body the GSDF is going to set up at its Asaka garrison in Saitama Prefecture for antiterror counteractions and international cooperation. The CRC's role differs from the US Army corps'. The CRC mobilizes about 3,000 troops, while the US Army corps is ready to swing 100,000 troops at the largest and commands operations. How will the CRC team up with the US Army corps? The CRC might only be swallowed. One ASDF official said, "We will embed the CRC into the US military for the time being, and we will think later about how to employ its troops."

The GSDF will launch the CRC at Asaka as initially planned. Meanwhile, local communities hosting Camp Zama are opposed to the CRC's relocation to Zama. Later on, the GSDF will explore the CRC's relocation to Zama after seeing local developments.

"If we just get on the rails the US military lays, we may only become their subcontractor," a GSDF brass officer said while choosing his words.

Japan and the United States are now in the homestretch of USFJ realignment talks to come up with a final report in late March. This series explores how the SDF and USFJ will fuse and what their fusion will bring about.

(4) Japan-US alliance showing signs of strains: Budding economic dispute (Part 3)

YOMIURI (Page 1) (Slightly abridged)  
March 7, 2006

Economic relations between Japan and the US have been so quiet in recent years that a source in the US Embassy in Japan even noted, "Unless you search for the issues, you won't find them." However, magma of sorts is beginning to build underneath the seemingly calm bilateral economic relationship.

The greatest immediate concern is the second ban on US beef imports imposed in the wake of the finding of specified risk material (SRM) in a beef shipment to Japan. The US Department of Agriculture's official stance is that fault is totally on the US side. However, the true feeling of the US beef industry can be epitomized by the remark by US Meat Export Federation (USMEF) Chairman Patrick Boyle: "It is an overreaction to totally shut out US beef because of a careless blunder by one exporter."

A high-level US Trade representative official, speaking on condition of anonymity, warned that if the embargo is protracted, it could throw cold water on bilateral relations, noting, "The beef issue has clearly caused friction between the two governments."

If anti-Japanese sentiments mount in the US, it could spill over into other parts of the economy. The auto industry is viewed as most vulnerable.

Following poor business showings, such as a sharp drop in the sales of large-size sports utility vehicles (SUVs) as a result of a rise in gasoline prices, leading automaker General Motors (GM) last November released a plan to dismiss a total of 30,000 employees by closing down 12 plants across North America. Ford Motors also released a similar restructuring plan in January. There are even crisis rumors abounding in the US auto industry, with GM now making frantic efforts to procure capital. As part of such efforts, it has decided to sell off the stocks of Suzuki Motors.

In contrast, Japanese vehicles, popular because of their fuel-efficiency, accounted for more than 30% of all new cars sold in US last year for the second straight year.

Learning lessons from past auto disputes, Japanese automakers now locally assemble about 70% of their vehicles sold in the North American market. Japanese manufacturers stress that they are contributing to creating job opportunities in the US, but there is no guarantee that they can avoid criticism.

The rise of the Chinese economy also made Japan-US economic relations complicated.

As a result of a sharp increase in imports of Chinese products, the US' trade deficit with China reached a record high of 725.8

billion dollars (approximately 84.34 trillion yen) in 2005. Though there has been no major change in the size of the US' trade deficit with Japan, since it is the second largest deficit for the US after China, criticism of it has mounted in the US. House of Representatives Ways and Means Committee Chairman Bill Thomas even said, "When you consider the long-standing trade barriers erected by Japan, I would say the US has a bigger

problem with Japan than with China."

On the other hand, wherever there are areas of common interest between the US and Japan in terms of China, there is an emerging mood of searching ways to establish a new kind of "alliance" relationship.

For example, China is under fire as being a manufacturing base for pirated or copied computer software and household electric appliances. Japan and the US, joined by Switzerland, demanded that China submit a report on its crackdowns on violations of intellectual property rights in compliance with on World Trade Organizations (WTO) rules. The three countries jointly applied pressure on China.

Former US Trade Representative Clayton Yeutter pointed out, "Since US and Japan are the world's largest and second largest economies, respectively, trade friction is unavoidable." "But," he hastened to add, "unlike the 1980s, when the US and Japan fought fierce trade disputes, bilateral relations have matured so much that the two countries can now settle issues without falling into a worst-case situation."

Is it just as he said that the two countries are now able to nip economic disputes in the bud and continue to cooperate in pursuit of common interests? Indeed, economic relations between Japan and the US are now at such a crossroads.

(5) Government to adopt flexible strategy for economic pacts: Shift to speedier conclusion of FTAs, alarmed by China, South Korea, which are way ahead

NIHON KEIZAI (Page 5) (Excerpts)  
March 8, 2006

The government has switched to a strategy of pressing ahead more flexibly in signing economic agreements on such areas as trade and investment with other countries. That is because there is a growing view in the Liberal Democratic Party (LDP) and business circles that if Japan alone sticks to comprehensive economic partnership agreements (EPA) amid the global trend for signing free trade agreements (FTA), it would find it difficult to push forward with the drive to sign economic agreements, which will in turn undermine Japan's international competitiveness. The government intends to speed up efforts with a focus on signing FTAs, but its potential negotiation partners are differently motivated, particularly regarding the agricultural sector. FTA talks will not necessarily go smoothly.

China and South Korea are way ahead of Japan in talks with the Association of Southeast Asian Nations (ASEAN). It appears that the government had decided to give priority to speediness in economic negotiations, because it feels pressed by China, which is increasing its presence through a buildup of military strength.

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The LDP Special Committee on FTA and EPA, chaired by former Agriculture Minister Yoshio Yatsu, urged the prime minister to speed up FTA talks, noting, "It is necessary to have somebody who directs efforts out of the need to speed up FTA talks." This proposal has triggered the policy switch by the government.

Business circles joined forces, because they felt impatient about Japan lagging behind China, South Korea and India. The Japan Federation of Economic Organizations (Keidanren) has cited efforts to tackle FTAs as a yardstick in making financial contributions to political parties. The LDP had to take that into account because of the Upper House election in 2007.

Japan has thus far signed EPAs with three countries, including Malaysia. Talks are now under way with various other countries. However, signing EPAs involves a lengthy process, including mutually scrapping tariffs and consolidating procedures for settling disputes and an intellectual property rights system.

While Japan is having trouble proceeding with EPA talks, China and South Korea have abolished tariffs with a number of trade partners. Chances are that Japanese companies may be placed at a disadvantage in exporting their products.

Government to speed up talks with China, India and other Asian countries; Whether deals can be reached, while leaving agricultural area intact, unclear

Acting on the strategy shift, the government will speed up efforts to sign a trade accord with India, China and other Asian countries. The plan is to consolidate conditions for smoother exports in key industries, such as autos and household electric appliances, while avoiding lowering tariffs in delicate areas, including the agricultural sector. However, as agricultural-exporting countries may find such agreements less beneficial, whether Japan can swiftly sign pacts as it hopes is unclear.

The government will prepare a prototype for such an agreement, under which inconvenient items will be removed, depending on negotiating partners, so that it can speedily sign an agreement with negotiable countries. It will also seek an agreement that covers investment rules but not tariffs. This method will be adopted toward Asian countries, because what they expect from FTAs matches that of Japan, as many of them import mined and manufactured goods and export agricultural, marine and forestry products, contrary to Japan's trading pattern. The strategy is to speed up negotiations, by using the prototype, while avoiding items on which reaching an agreement is difficult.

Potential negotiation partners in the future include India, China and Australia. The government is expected to use the prototype in talks with those countries. There is also a possibility of its aiming for an early signing of pacts, by revising the contents of the ongoing talks with ASEAN and South Korea, with which the agricultural area is causing a bottleneck.

Candidates for FTA partners include many agricultural-exporting countries, such as Asian countries and Australia. Regarding the signing of an investment accord, too, China and India will not easily agree to remove investment restrictions in order to protect their domestic undeveloped industrial areas.

Though Japan has shifted its economic alliance policy at the initiative of politicians, chances are slim that its negotiating

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partners agree to sign FTAs or investment pacts that are advantageous to Japan alone. In addition, on the domestic front, the interests of concerned government agencies, such as the Ministry of Economic, Trade and Industry, the Ministry of Agriculture, Fisheries and Forestry and the Ministry of Foreign Affairs, differ. The reason for the stagnation in signing economic agreements is not just the circumstances of negotiating partners. It is essential for Japan to reform the domestic situation as well.

(6) Editorial: Minshuto must not become so weak as to create a vacuum in the Diet

ASAHI (Page 3) (Full)  
March 7, 2006

Maybe we missed something but in Upper House deliberations on the fiscal 2006 budget that started yesterday, the major opposition party Minshuto (Democratic Party of Japan) seemed to hardly try to pursue the Koizumi administration on a set of four issues that includes a bid-rigging scandal involving government officials.

The House of Representatives Discipline Committee will begin discussing the imposition of a punishment on Hisayasu Nagata for launching charges by using a copy of a fake e-mail at the Diet. A Minshuto team tasked with mapping out measures to prevent another such fiasco has just been set in motion.

There is every reason for Minshuto lawmakers to feel hesitant

about reassuming the offensive against the ruling bloc until the e-mail fiasco is settled.

But that does not mean the largest opposition should shrink from its duties, however.

The opposition block had the edge over the ruling camp early on in the current Diet session, though this might sound ages ago to Minshuto members.

Minshuto led the opposition camp in pursuing a set of four issues -- the Livedoor scandal, the earthquake-resistance data falsification scandal, bid rigging involving the Defense Facilities Administration Agency, and US beef trade issue. All of these are closely associated with the safety and livelihood of the public.

Has income disparity widened over the last five years under the Koizumi administration? The public was hopeful that the ruling and opposition blocs would conduct heated debate to answer such a question, examining both the bright and dark sides of the Koizumi reform drive, and mull Japan's future.

Although the e-mail fiasco seems to have blown away everything, the government and the Liberal Democratic Party are not totally blameless, either.

A possible close relationship between LDP Secretary General Tsutomu Takebe and former Livedoor Co. President Takafumi Horie

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surfaced in connection with the Livedoor scandal. In campaigning for the general election last year, Takebe referred to Horie as "my son."

The Political Ethics Hearing Committee failed to determine the

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seriousness of the good offices of former National Land Agency Director General Kosuke Ito, who served as intermediary between the developer and the Land, Infrastructure and Transport Ministry in building substandard condominiums.

The bureaucrat-involved bid-rigging scandal exposed the harmful effects of the amakudari practice of retired senior government officials taking up cushy executive posts at corporations and government-affiliated organizations. Such arrangements have been underpinning the bid-rigging system.

All those issues have been left unfinished. Each case deserves testimony by sworn and unsworn witnesses and long deliberations.

Later this week, the government is planning to submit to the Diet an administrative reform promotion bill to reduce special accounts and labor costs for public servants. It will be a good opportunity for Minshuto, as a party that uses a counterproposal approach, to present another option to the public by going back to its original starting point.

President Maehara's declining leadership in Minshuto at this point, well before the end of the current Diet session, has triggered speculation that the largest opposition party may conduct its presidential election early.

Minshuto cannot afford to take whimsical action or stand still during the current Diet session. The "vacuum" created in the Diet by the e-mail hullabaloo must be filled immediately.

To restore public trust, Minshuto has no other choice but to buckle down and make steady efforts.

SCHIEFFER